

19.905

(ii) There is a reasonable expectation of obtaining offers from two or more responsible very small business concerns headquartered within the geographical area served by the designated SBA district that are competitive in terms of market prices, quality, and delivery; or

(2) In the case of an acquisition for services—

(i) The contract will be performed within the geographical area served by a designated SBA district; and

(ii) There is a reasonable expectation of obtaining offers from two or more responsible very small business concerns headquartered within the geographical area served by the designated SBA district that are competitive in terms of market prices, quality, and delivery.

(b) Contracting officers must determine the applicable designated SBA district office as defined at 19.902. The geographic areas served by the SBA Los Angeles and Santa Ana District offices will be treated as one designated SBA district for the purposes of this subpart.

(c) If no reasonable expectation exists under paragraphs (a)(1)(ii) and (a)(2)(ii) of this section, the contracting officer must document the file and proceed with the acquisition in accordance with Subpart 19.5.

(d) If the contracting officer receives only one acceptable offer from a responsible very small business concern in response to a very small business set-aside, the contracting officer should make an award to that firm. If there is no offer received from a very small business concern, the contracting officer must cancel the very small business set-aside and proceed with the acquisition in accordance with Subpart 19.5.

[64 FR 10536, Mar. 4, 1999, as amended at 64 FR 51830, Sept. 24, 1999]

19.905 Solicitation provision and contract clause.

Insert the clause at 52.219-5, Very Small Business Set-Aside, in solicitations and contracts if the acquisition is set aside for very small business concerns.

(a) Insert the clause at 52.219-5 with its *Alternate I*—

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(1) In construction or service contracts; or

(2) When the acquisition is for a product in a class for which the Small Business Administration has waived the nonmanufacturer rule (see 19.102(f)(4) and (5)).

(b) Insert the clause at 52.219-5 with its *Alternate II* when *Alternate I* does not apply, the acquisition is processed under simplified acquisition procedures, and the total amount of the contract does not exceed \$25,000.

[64 FR 10536, Mar. 4, 1999, as amended at 64 FR 51830, Sept. 24, 1999]

Subpart 19.10—Small Business Competitiveness Demonstration Program

SOURCE: 54 FR 5055, Jan. 31, 1989, unless otherwise noted.

19.1001 General.

The Small Business Competitiveness Demonstration Program was established by the Small Business Competitiveness Demonstration Program Act of 1988, Public Law 100-656 (15 U.S.C. 644 note). The program is implemented by a joint OFPP and SBA Policy Directive and Implementation Plan, dated May 25, 1999. The program consists of two major components—

(a) Unrestricted competition in designated industry groups; and

(b) Enhanced small business participation in 10 agency targeted industry categories.

[63 FR 9057, Feb. 23, 1998, as amended at 65 FR 16276, Mar. 27, 2000; 70 FR 11742, Mar. 9, 2005]

19.1002 Definitions.

Emerging small business, as used in this subpart, means a small business concern whose size is no greater than 50 percent of the numerical size standard applicable to the North American Industry Classification System (NAICS) code assigned to a contracting opportunity.

Emerging small business reserve amount, for the designated groups described in 19.1005, means a threshold established by the Office of Federal Procurement Policy of—

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(1) \$25,000 for construction, refuse systems and related services, non-nuclear ship repair, landscaping and pest control services; and

(2) \$50,000 for architectural and engineering services.

[54 FR 5055, Jan. 31, 1989, as amended at 65 FR 16276, Mar. 27, 2000; 65 FR 46056, July 26, 2000; 70 FR 11742, Mar. 9, 2005]

19.1003 Purpose.

The purpose of the Program is to—

(a) Assess the ability of small businesses to compete successfully in certain industry categories without competition being restricted by the use of small business set-asides. This portion of the program is limited to the designated industry groups listed in section 19.1005.

(b) Expand small business participation in 10 targeted industry categories through continued use of set-aside procedures, increased management attention, and specifically tailored acquisition procedures, as implemented through agency procedures.

(c) Measure the extent to which awards are made to a new category of small businesses (ESB's), and to provide for certain acquisitions to be reserved for ESB participation only. This portion of the program is also limited

to the designated industry groups listed in section 19.1005.

[54 FR 5055, Jan. 31, 1989, as amended at 55 FR 52792, Dec. 21, 1990; 63 FR 9057, Feb. 23, 1998; 65 FR 16276, Mar. 27, 2000; 70 FR 11742, Mar. 9, 2005]

19.1004 Participating agencies.

The following agencies have been identified as participants in the demonstration program:

The Department of Agriculture.

The Department of Defense, except the National Imagery and Mapping Agency.

The Department of Energy.

The Department of Health and Human Services.

The Department of Interior.

The Department of Transportation.

The Department of Veterans Affairs.

The Environmental Protection Agency.

The General Services Administration.

The National Aeronautics and Space Administration.

[54 FR 5055, Jan. 31, 1989, as amended at 54 FR 29281, July 11, 1989; 55 FR 38516, Sept. 18, 1990; 63 FR 58602, Oct. 30, 1998]

19.1005 Applicability.

(a) *Designated industry groups.*

NAICS code	NAICS description
1. Construction (Except Dredging) Subsector 236—Construction of Buildings	
236115	New Single-Family Housing Construction (except Operative Builders).
236116	New Multi-Family Housing Construction (except Operative Builders).
236117	New Housing Operative Builders.
236118	Residential Remodelers.
236210	Industrial Building Construction.
236220	Commercial and Institutional Building Construction.
Subsector 237—Heavy and Civil Engineering Construction	
237110	Water and Sewer Line and Related Structures Construction.
237120	Oil and Gas Pipeline and Related Structures Construction.
237130	Power and Communication Line and Related Structures Construction.
237210	Land Subdivision.
237310	Highway, Street, and Bridge Construction.
237990	Other Heavy and Civil Engineering Construction (except dredging).
Subsector 238—Specialty Trade Contractors	
238110	Poured Concrete Foundation and Structure Contractors.
238120	Structural Steel and Precast Concrete Contractors.
238130	Framing Contractors.
238140	Masonry Contractors.
238150	Glass and Glazing Contractors.
238160	Roofing Contractors.
238170	Siding Contractors.
238190	Other Foundation, Structure, and Building Exterior Contractors.
238210	Electrical Contractors.
238220	Plumbing, Heating, and Air-Conditioning Contractors.